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EAP/J PLEASE PASS TO USTR POSNER (OGC), WINTER (CHINA) AND
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SUBJECT: JAPAN HESITANT TO JOIN WTO DISPUTE ON CHINA IPR

REF: SECSTATE 126684

Japan is reluctant to join the United States in a WTO case against China on IPR, Trade Ministry Director General for Trade Policy Masakazu Toyoda told EMIN on August 17. Toyoda said METI's hesitation is based on two elements: 1) METI is not convinced that TRIPS provides a good basis for a WTO case and the ministry needs to study the issue more carefully; 2) Trade Minister Nikai prefers to assist the Chinese to help them to improve their IPR standards and enforcement. For now Japan is in "waiting mode" and needs to give China more time, Toyoda explained. Nevertheless Japan would like to cooperate with the USG in other ways on this issue and is not opposed to taking China to the WTO in principle. Toyoda asked that we keep the GOJ closely informed on our discussions with the Chinese and our consideration of WTO case, as well as the views of other interested parties such as Canada and the EU. DCM and EMIN also raised the issue in a meeting with Assistant Cabinet Secretary Hiroyasu Ando on August 14. Ando received our demarche without comment.
SCHIEFFER